



INTERIM FINANCIAL STATEMENTS

For the period ended 31 March 2020

STATEMENT OF PROFIT OR LOSS

Period ended 31 March 2020

	BANK			GROUP		
	For the three months ended			For the three months ended		
	31.03.2020 Rs.000	31.03.2019 Rs.000	Change %	31.03.2020 Rs.000	31.03.2019 Rs.000	Change %
Gross Income	3,579,138	3,710,938	(4)	4,040,760	4,253,049	(5)
Interest income	3,058,695	3,309,151	(8)	3,472,446	3,817,264	(9)
Less: Interest expenses	2,028,152	2,295,946	(12)	2,284,811	2,598,476	(12)
Net interest income	1,030,543	1,013,205	2	1,187,635	1,218,788	(3)
Fee and commission income	253,648	265,871	(5)	280,695	295,933	(5)
Less: Fee and commission expenses	52,693	46,738	13	55,170	49,445	12
Net fee and commission income	200,955	219,133	(8)	225,525	246,488	(9)
Net fair value gains / (losses) from financial instruments at fair value through profit or loss	131,222	118,590	11	132,509	119,367	11
Net gains/ (losses) from financial investments	58,045	22,070	163	58,070	22,208	161
Net gain/ (loss) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-
Other operating income	77,528	(4,744)	(1734)	97,040	(1,725)	5727
Total operating income	1,498,293	1,368,254	10	1,700,779	1,605,126	6
Less: Impairment for loans and other losses						
Loans and advances to customers	88,767	61,090	45	134,809	114,651	18
Other financial assets	5,306	(7,462)	(100)	5,723	(7,098)	(100)
Non financial assets	(1,265)	(2,288)	100	(4,161)	(288)	(1346)
Net operating income	1,405,485	1,316,912	7	1,564,408	1,497,860	4
Less: Personnel expenses	498,732	456,148	9	563,797	521,729	8
Depreciation and amortisation	167,329	92,170	82	182,351	102,442	78
Other expenses	334,736	406,498	(18)	375,257	472,340	(21)
Total operating expenses	1,000,797	954,816	5	1,121,405	1,096,511	2
Results from operating activities	404,688	362,096	12	443,002	401,349	10
Share of profit of equity accounted investees, net of tax	376	3,681	(90)	-	-	-
Profit before value added tax (VAT), nation building tax (NBT) and debt repayment levy (DRL) on financial services	405,064	365,777	11	443,003	401,349	10
Less: VAT, NBT and DRL on financial services	115,925	165,673	(30)	124,406	176,815	(30)
Profit before tax	289,139	200,104	44	318,597	224,534	42
Less: Tax expenses	109,182	94,870	15	123,810	105,385	17
Profit after tax	179,957	105,234	71	194,787	119,149	63
Profit Attributable to:						
Equity holders of the parent	179,957	105,234	71	194,902	117,645	66
Non-controlling interest	-	-	-	(115)	1,504	(108)
Profit after tax	179,957	105,234	71	194,787	119,149	63
Earnings per share						
Earnings per share - Basic	0.17	0.10	72	0.18	0.11	67
Earnings per share - Diluted	0.17	0.10	74	0.18	0.11	68

STATEMENT OF COMPREHENSIVE INCOME

Period ended 31 March 2020

	BANK			GROUP		
	For the three months ended			For the three months ended		
	31.03.2020 Rs.'000	31.03.2019 Rs.'000	Change %	31.03.2020 Rs.'000	31.03.2019 Rs.'000	Change %
Profit for the period	179,957	105,234	71	194,787	119,149	63
Other comprehensive income to be reclassified to profit or loss in subsequent periods:						
<i>Debt instruments at fair value through other comprehensive income</i>						
Net change in fair value during the period	86,021	264,022	(67)	81,638	260,378	(69)
Changes in allowance for expected credit loss	-	-		-	-	
Less: Income tax effect on above	(24,086)	(73,926)	67	(24,086)	(73,926)	67
Total items that will be reclassified to the statement of profit or loss	61,935	190,096	(67)	57,552	186,452	(69)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:						
Actuarial gains and losses on defined benefit plans	-	-		-	-	
Revaluation gains/ (losses) on equity instruments at fair value through other comprehensive income	-	-		-	-	
Less: Income tax effect on above	-	-		-	-	
Share of other comprehensive income of equity accounted investees, net of tax	(2,235)	(1,859)	(20)	-	-	
Total items that will not be reclassified to the statement of profit or loss	(2,235)	(1,859)	(20)	-	-	
Other comprehensive income for the period, net of tax	59,700	188,237	(68)	57,552	186,452	(69)
Total comprehensive income for the period, net of tax	239,657	293,471	(18)	252,339	305,600	(17)
Attributable to:						
Equity holders of the parent	239,657	293,471	(18)	254,602	305,882	(17)
Non-controlling interest	-	-		(2,263)	(282)	(702)
Total comprehensive income for the period, net of taxes	239,657	293,471	(18)	252,339	305,600	(17)

INTERIM FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	BANK			GROUP		
	31.03.2020	31.12.2019	Change	31.03.2020	31.12.2019	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
		Audited			Audited	
Assets						
Cash and cash equivalents	3,349,278	2,718,860	23	3,799,597	3,104,542	22
Balances with Central Bank of Sri Lanka	1,748,441	2,314,197	(24)	1,748,441	2,314,197	(24)
Placements with banks	68,638	94,257	(27)	68,451	94,257	(27)
Reverse repurchased agreements	243,449	426,823	(43)	837,115	1,009,581	(17)
Derivative financial instruments	59,432	6,230		59,432	6,230	
Financial investments at fair value through profit or loss						
	4,700,483	3,228,565	46	4,700,483	3,270,208	44
Financial investments designated at fair value through profit or loss	-	-		-	-	
Financial assets at amortised cost - loans and advances to customers	78,266,306	77,358,301	1	85,523,041	84,780,138	1
Financial assets at amortised cost - debt and other instruments	19,789,163	13,441,040	47	19,039,795	12,670,558	50
Financial investments at fair value through other comprehensive income	18,353,752	17,503,245	5	18,422,539	17,516,485	5
Current tax assets	-	1,148	(100)	-	1,148	(100)
Investments in real estate	-	-		111,841	112,563	(1)
Investments in subsidiaries	910,409	912,268	(0)	-	-	
Goodwill and intangible assets	1,371,150	1,329,791	3	1,719,992	1,678,668	2
Property, plant and equipment and Right of use assets	1,373,084	1,482,366	(7)	1,619,629	1,741,074	(7)
Deferred tax assets	-	-		488,976	497,620	(2)
Other assets	962,167	936,568	3	1,066,753	1,042,696	2
Total assets	131,195,752	121,753,659	8	139,206,084	129,839,965	7
Liabilities						
Due to banks	12,224,836	11,475,176	7	12,524,542	11,601,966	8
Derivative financial instruments	72,519	4,515		72,519	4,515	
Financial liabilities designated at fair value through profit or loss	-	-		-	-	
Repurchased agreements	13,537,248	12,116,040	12	13,537,248	12,116,040	12
Due to other customers	83,924,389	76,532,012	10	90,000,738	82,751,668	9
Other borrowed funds	1,280,556	1,242,450	3	2,423,781	2,514,058	(4)
Debt securities issued	-	-		-	-	
Subordinated term debts	-	-		-	-	
Current tax liabilities	86,023	-	100	289,700	197,957	46
Deferred tax liabilities	83,360	62,299	34	84,123	63,062	33
Other Provisions	-	-		-	-	
Other liabilities	2,387,275	2,810,711	(15)	2,732,390	3,151,428	(13)
Total liabilities	113,596,206	104,243,203	9	121,665,041	112,400,694	8

INTERIM FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	BANK			GROUP		
	31.03.2020 Rs.'000	31.12.2019 Rs.'000 Audited	Change %	31.03.2020 Rs.'000	31.12.2019 Rs.'000 Audited	Change %
Equity						
Stated capital	16,334,782	16,334,782	0	16,334,782	16,334,782	0
Share warrants	65,484	65,484	0	65,484	65,484	0
Statutory reserve fund	184,398	175,400	5	209,018	200,020	4
ESOP reserve	52,557	51,426	2	52,557	51,426	2
FVOCI reserve	104,249	44,549	134	116,485	56,785	105
Retained earnings	858,076	838,815	2	524,335	490,129	(7)
Total equity attributable to equity holders of the bank	17,599,546	17,510,456	1	17,302,661	17,198,626	1
Non-controlling interests	-	-	-	238,382	240,645	(1)
Total equity	17,599,546	17,510,456	1	17,541,043	17,439,271	1
Total equity and liabilities	131,195,752	121,753,659	8	139,206,084	129,839,965	7
Contingent liabilities and commitments	33,440,986	32,014,254	4	33,548,144	32,104,191	4
Net asset value per share (Rs.)	16.24	16.16		15.97	15.87	


Memorandum information

Number of Employees	1,358	1,344
Number of Branches	67	67

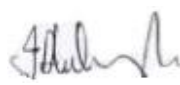
CERTIFICATION:

We, the undersigned, being the Deputy Chairman, Director/ Chief Executive Officer and Acting Head of Finance of Union Bank of Colombo PLC certify jointly that:

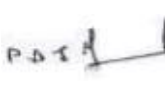
- the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka;
- the information contained in these statements have been extracted from the unaudited financial statements of the Bank and the Group unless indicated as audited.



 Ayesha Naotunna
 Acting Head of Finance



 Indrajit Wickramasinghe
 Director/ Chief Executive Officer



 Priyantha Fernando
 Deputy Chairman

Date: 06 May 2020

BANK	Stated Capital	Share Warrants	Statutory Reserve Fund	ESOP Reserve	FVOCI Reserve	Retained Earnings	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 January 2019	16,334,782	65,484	139,884	52,816	(310,991)	345,374	16,627,348
Total comprehensive income for the period							
Net profit for the period	-	-	-	-	-	105,235	105,235
Other comprehensive Income	-	-	-	-	188,237	-	188,237
Total comprehensive Income	-	-	-	-	188,237	105,235	293,472
Transactions with equity holders, recognised directly in equity							
Fair value of ESOP	-	-	-	1,065	-	-	1,065
Transfers during the period	-	-	5,262	-	-	(5,262)	-
Dividend Paid	-	-	-	-	-	-	-
Balance as at 31 March 2019	16,334,782	65,484	145,146	53,881	(122,754)	445,347	16,921,884
Balance as at 1 January 2020	16,334,782	65,484	175,400	51,426	44,549	838,815	17,510,456
Total comprehensive income for the period							
Net profit for the period	-	-	-	-	-	179,957	179,957
Other comprehensive Income	-	-	-	-	59,700	-	59,700
Total comprehensive Income	-	-	-	-	59,700	179,957	239,657
Transactions with equity holders, recognised directly in equity							
Fair value of ESOP	-	-	-	1,131	-	-	1,131
Transfers during the period	-	-	8,998	-	-	(8,998)	-
Dividend Paid	-	-	-	-	-	(151,698)	(151,698)
Balance as at 31 March 2020	16,334,782	65,484	184,398	52,557	104,249	858,076	17,599,546

GROUP	Stated Capital	Share Warrants	Statutory Reserve Fund	ESOP Reserve	FVOCI Reserve	Retained Earnings	Total	Non-controlling Interest	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 January 2019	16,334,782	65,484	157,569	52,816	(306,186)	(43,734)	16,260,733	212,302	16,473,034
Total comprehensive income for the period									
Net profit for the period	-	-	-	-	-	117,645	117,645	1,504	119,149
Other comprehensive Income	-	-	-	-	188,237	-	188,237	(1,786)	186,452
Total comprehensive Income	-	-	-	-	188,237	117,645	305,882	(282)	305,601
Transactions with equity holders, recognised directly in equity									
Fair value of ESOP	-	-	-	1,065	-	-	1,065	-	1,065
Transfers during the period	-	-	5,262	-	-	(5,262)	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	16,334,782	65,484	162,831	53,881	(117,948)	68,651	16,567,679	212,020	16,779,700
Balance as at 1 January 2020	16,334,782	65,484	200,020	51,426	56,785	490,129	17,198,626	240,645	17,439,271
Total comprehensive income for the period									
Net profit for the period	-	-	-	-	-	194,902	194,902	(115)	194,787
Other comprehensive Income	-	-	-	-	59,700	-	59,700	(2,148)	57,552
Total comprehensive Income	-	-	-	-	59,700	194,902	254,602	(2,263)	252,339
Transactions with equity holders, recognised directly in equity									
Fair value of ESOP	-	-	-	1,131	-	-	1,131	-	1,131
Transfers during the period	-	-	8,998	-	-	(8,998)	-	-	-
Dividend Paid	-	-	-	-	-	(151,698)	(151,698)	-	(151,698)
Balance as at 31 March 2020	16,334,782	65,484	209,018	52,557	116,485	524,335	17,302,661	238,382	17,541,043

STATEMENT OF CASH FLOWS

Period ended 31 March 2020

	BANK		GROUP	
	31.03.2020 Rs.'000	31.03.2019 Rs.'000	31.03.2020 Rs.'000	31.03.2019 Rs.'000
Cash flow from operating activities				
Interest received	2,489,763	3,375,915	3,096,625	3,849,437
Fees and commission receipts	200,954	219,133	225,525	246,488
Interest paid	(1,803,637)	(2,313,016)	(2,225,138)	(2,602,206)
Receipts from Other operating activities	402,629	43,735	423,454	47,555
Payments on Other operating activities	(1,010,774)	(1,011,283)	(1,125,186)	(1,152,647)
Operating profit/(loss) before changes in operating assets & liabilities	278,935	314,484	395,280	388,627
(Increase)/decrease in operating assets:				
Balance with Central Bank of Sri Lanka	565,756	990,341	565,756	990,341
Funds advanced to customers	(522,421)	(2,542,114)	(579,966)	(2,532,042)
Others	(64,545)	(214,506)	(61,454)	(206,931)
	(21,210)	(1,766,279)	(75,663)	(1,748,632)
Increase /(decrease) in operating liabilities:				
Due to other customers	7,247,212	(1,225,772)	7,265,225	(1,211,867)
Repurchased agreements	1,426,280	(3,470,176)	1,426,280	(3,420,164)
Other liabilities	(320,330)	294,138	(314,506)	332,629
	8,353,162	(4,401,810)	8,376,999	(4,299,402)
Net cash from/(used in) operating activities before income tax	8,610,888	(5,853,604)	8,696,616	(5,659,407)
Retirement benefit obligation paid	(4,351)	(1,421)	(4,513)	(1,961)
Income tax paid	(25,036)	(19,162)	(25,299)	(21,993)
Net cash from operating activities	8,581,501	(5,874,187)	8,666,804	(5,683,361)
Cash flow from/(used in) investing activities				
Dividends received	-	-	-	-
Net financial investment at fair value through profit or loss	(1,452,893)	(705,475)	(1,452,893)	(705,475)
Net financial assets at amortised cost - Debt and other instruments	(6,334,997)	654,945	(6,330,002)	399,489
Net financial investment at fair value through other comprehensive income	(685,028)	541,650	(744,958)	528,396
Net investment in real estates	-	-	722	(3,864)
Purchase of property & equipment	(9,199)	(19,989)	(12,881)	(27,447)
Purchase of intangible assets	(90,079)	(1,612)	(90,618)	(1,612)
Proceeds from sale of property & equipment	-	199	-	4,208
Net cash used in investing activities	(8,572,196)	469,718	(8,630,630)	193,695
Cash flow from/(used in) financing activities				
Increase in borrowings	735,449	3,164,923	1,470,703	3,385,190
Dividend paid	(151,698)	-	(151,698)	-
Net cash from/ (used in) financing activities	583,750	3,164,923	1,319,005	3,385,190
Net Increase/(decrease) in cash and cash equivalents	593,055	(2,239,546)	1,355,178	(2,104,476)
Cash and cash equivalents at beginning of the year	3,053,031	6,325,430	3,034,999	7,081,221
Cash and cash equivalents at end of the period	3,646,086	4,085,884	4,390,177	4,976,745
Reconciliation of cash and cash equivalents				
Cash in hand and at banks	3,349,278	2,633,630	3,799,597	3,123,511
Reverse repurchased agreements	243,391	1,299,392	837,057	1,845,917
Placements with banks	68,638	167,463	68,451	168,212
Due to banks - Unfavorable balances with banks	(15,221)	(14,601)	(314,927)	(160,895)
	3,646,086	4,085,884	4,390,177	4,976,745

STATEMENT OF CASH FLOWS

Period ended 31 March 2020

Reconciliation of liabilities arising from financing activities

For the period ended 31 March 2020	Cash change		Non cash change	
	31 Mar 2020 Rs.'000	- Cash flow Rs.'000	- Foreign exchange movement Rs.'000	1 Jan 2020 Rs.'000
BANK				
Due to banks	11,747,444	591,403	158,258	10,997,784
Other borrowed funds	1,280,556	38,106	-	1,242,450
Less : Unfavorable balances with banks	(15,221)	171,593	-	(186,814)
Less : Interest payable	(210,736)	(65,653)	-	(145,084)
	12,802,043	735,449	158,258	11,908,336
GROUP				
Due to banks	12,047,150	764,318	158,258	11,124,574
Other borrowed funds	2,423,781	(90,277)	-	2,514,058
Less : Unfavorable balances with banks	(314,927)	858,359	-	(1,173,285)
Less : Interest payable	(366,373)	(61,696)	-	(304,677)
	13,789,631	1,470,703	158,258	12,160,670
For the period ended 31 March 2019	31 Mar 2019 Rs.'000	Cash change - Cash flow Rs.'000	Non cash change - Foreign exchange movement Rs.'000	1 Jan 2019 Rs.'000
BANK				
Due to banks	12,244,540	2,985,353	(89,022)	9,348,209
Other borrowed funds	1,272,988	38,768	-	1,234,220
Less : Unfavorable balances with banks	(14,601)	260,068	-	(274,669)
Less : Interest payable	(219,403)	(119,266)	-	(100,137)
	13,283,524	3,164,923	(89,022)	10,207,623
GROUP				
Due to banks	12,390,836	2,964,311	(89,022)	9,515,547
Other borrowed funds	3,216,352	294,705	-	2,921,647
Less : Unfavorable balances with banks	(160,895)	281,112	-	(442,007)
Less : Interest payable	(358,854)	(154,937)	-	(203,917)
	15,087,439	3,385,190	(89,022)	11,791,270

- 1 There are no changes to the accounting policies and methods of computation since the publication of annual accounts for the year 2019.

The Bank prepared Interim Financial Statements for the period ended March 31, 2020 based on SLFRS 16. The comparative information for 2019 is reported under LKAS 17 and is not comparable to the information presented for 2020.

- 2 There are no material changes during the period in the composition of assets, liabilities and contingent liabilities. All known expenditure items have been provided for.
- 3 These Interim financial statements are presented in accordance with LKAS 34 - "Interim Financial Reporting" and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
- 4 The Group financial statements comprise a consolidation of the financial statements of the Bank and its subsidiaries, National Asset Management Limited & UB Finance Company Limited and the Special Purpose Entity, Serandib Capital (Private) Limited.
- 5 **Coronavirus (COVID 19) Outbreak and the subsequent relief measures introduced by the Central Bank of Sri Lanka**

The outbreak and spread of Coronavirus ("COVID 19"), which originated in Wuhan, China in December 2019, is now a Global Pandemic and has resulted in disruptions to overall global economic activity affecting most industries and sub-sectors. The necessary COVID 19 control measures taken by the Government of Sri Lanka to curb the spread of this virus has in the process also caused a temporary disruption to overall economic activities in the country, including disruptions to business operations of several sectors thereby having implications on the Banking Sector as a whole.

The Central Bank of Sri Lanka has issued the following circulars introducing different relief measures to safeguard the affected businesses and individuals,

- Circular No 04 of 2020 – Relief measures to assist COVID 19 affected businesses and individuals
- Circular No 05 of 2020 – Re-financing facility to support COVID 19 hit businesses including self-employment and individuals
- Circular No 06 of 2020 – Amendment to Circular No 4 of 2020 and No 5 of 2020

The period given for customers to apply for the moratorium schemes introduced by the above circulars is 15 May 2020 with a 45 days period given for the Financial Institutions to process such applications. Accordingly, the full impact of the moratorium cannot be reasonably estimated or reliably measured at this stage given the inability to determine the extent to which applications for the moratorium would be received by the Bank.

The Bank has introduced numerous relief measures to assist its customers in this challenging period and continues to engage with them. The Bank has also opened its branches even during curfew hours to assist the customers whilst the Bank's digital platforms including, internet banking, mobile application and offsite and onsite ATMs too continue to service the customer needs.

The moratorium and the various concessions to be extended in terms of the above circulars and the disruption to cash flows of businesses could increase the non-performing loans & advances in the post moratorium period and could in turn affect the Bank's earnings. However, the management is of the view that these negative implications are unlikely to unduly stress the Bank's regulatory capital ratios, which are currently well above the stipulated minimum, and the liquidity position of the Bank.

- 6 No material events have been taken place subsequent to the reporting period that require disclosures or/ and adjustment in the Financial Statements other than stated below;
- 6.1 At the request of the Bank, the Monetary Board of the Central Bank of Sri Lanka has granted approval for Union Bank to cease its operations as a Primary Dealer with effect from 01 May 2020. The Bank will continue to function as a Dealer Direct Participant and in the secondary market operations and transact in scripless Government Securities on behalf of its customers and maintain our customer accounts in the LankaSecure system.

- 7 Information on Ordinary Shares

Market Value	31.03.2020	31.03.2019
	Rs.	Rs.
Last traded price	8.10	11.00
Highest price for the quarter	13.30	13.00
Lowest price for the quarter	8.00	10.70

8. ANALYSIS OF LOANS & ADVANCES TO CUSTOMERS AND IMPAIRMENT

8.1 Product-wise Gross Loans & Advances

	BANK		GROUP	
	31.03.2020	31.12.2019	31.03.2020	31.12.2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
		Audited		Audited
Term loans	43,707,983	45,721,780	45,790,705	47,516,351
Overdrafts	14,015,749	11,162,693	13,970,570	11,069,823
Trade finance	4,971,226	4,949,846	4,971,226	4,949,846
Lease and hire purchase	606,260	708,997	5,114,807	5,340,896
Factoring	392,323	477,161	1,809,912	1,920,315
Pawning	384,884	369,592	384,884	369,593
Credit Cards	1,413,483	1,176,806	1,413,483	1,176,806
Staff loans	991,715	902,113	991,715	902,113
Others	-	-	-	305,149
By Product - Local Currency	66,483,623	65,468,988	74,447,302	73,550,892
Term loans	5,263,016	5,573,725	5,263,018	5,573,725
Overdrafts	63,409	71,432	63,409	71,432
Trade finance	8,486,718	8,201,898	8,486,718	8,201,898
By Product - Foreign Currency	13,813,143	13,847,055	13,813,145	13,847,055
Total Loans and Receivables	80,296,766	79,316,043	88,260,447	87,397,947

8.2 Stage-wise impairment on loans & advances to customers

	BANK		GROUP	
	31.03.2020	31.12.2019	31.03.2020	31.12.2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
		Audited		Audited
Gross loans and advances (Note 8.1)	80,296,766	79,316,043	88,260,447	87,397,947
Less: Accumulated impairment under stage 1	(354,917)	(397,970)	(418,291)	(463,481)
Accumulated impairment under stage 2	(138,470)	(57,832)	(208,471)	(139,319)
Accumulated impairment under stage 3	(1,537,073)	(1,501,940)	(2,110,644)	(2,015,009)
Net value of loans and advances	78,266,306	77,358,301	85,523,041	84,780,138

8.3 Movement of impairment during the period for Loans and Advances to customers

	Stage 1	Stage 2	Stage 3	Total
BANK				
Opening balance as at 1 January 2020	397,970	57,832	1,501,940	1,957,742
Charge to statement of profit or loss	(43,053)	80,638	51,182	88,767
Net write-off during the period	-	-	(16,049)	(16,049)
Closing Balance as at 31 March 2020	354,917	138,470	1,537,073	2,030,460
GROUP				
Opening balance as at 1 January 2020	463,481	139,319	2,015,009	2,617,809
Charge to statement of profit or loss	(45,190)	69,152	110,847	134,809
Net write-off during the period	-	-	(15,212)	(15,212)
Closing Balance as at 31 March 2020	418,291	208,471	2,110,644	2,737,406
BANK				
Opening balance as at 1 January 2019	605,502	89,109	1,343,216	2,037,827
Charge to statement of profit or loss	(207,262)	(29,968)	630,928	393,698
Net write-off during the year	(270)	(1,309)	(472,204)	(473,783)
Closing Balance as at 31 December 2019	397,970	57,832	1,501,940	1,957,742
GROUP				
Opening balance as at 1 January 2019	666,168	187,695	2,478,610	3,332,473
Charge to statement of profit or loss	(202,417)	(47,067)	796,480	546,996
Net write-off during the year	(270)	(1,309)	(1,260,081)	(1,261,660)
Closing Balance as at 31 December 2019	463,481	139,319	2,015,009	2,617,809

9. DUE TO OTHER CUSTOMERS

	BANK		GROUP	
	31.03.2020	31.12.2019	31.03.2020	31.12.2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
		Audited		Audited
Local Currency Deposits				
Demand deposits	3,725,974	3,452,248	3,724,041	3,451,798
Savings deposits	15,991,910	11,585,257	15,959,250	11,374,106
Fixed deposits	50,991,237	46,368,000	57,102,177	52,799,257
Other deposits	2,495,725	2,433,580	2,495,725	2,433,580
Total	73,204,846	63,839,085	79,281,193	70,058,741
Foreign Currency Deposits				
Demand deposits	317,680	411,630	317,682	411,630
Savings deposits	4,148,266	3,883,343	4,148,266	3,883,343
Fixed deposits	6,253,597	8,397,954	6,253,597	8,397,954
Total	10,719,543	12,692,927	10,719,545	12,692,927
Total Deposits	83,924,389	76,532,012	90,000,738	82,751,668

10. ANALYSIS OF COMMITMENTS, CONTINGENCIES AND IMPAIRMENT

10.1 Product-wise Commitments and Contingencies

	BANK		GROUP	
	31.03.2020 Rs.'000	31.12.2019 Rs.'000 Audited	31.03.2020 Rs.'000	31.12.2019 Rs.'000 Audited
Undrawn loan commitments	10,097,041	10,356,996	10,204,199	10,446,934
Guarantees	5,058,793	5,288,602	5,058,793	5,288,602
Letters of credit	31,536	21,382	31,536	21,382
Forward contracts	1,678,188	1,805,082	1,678,188	1,805,082
Cheque pending for realisation	199,633	503,543	199,633	503,543
Spot contracts	190,000	544,860	190,000	544,860
Forward Bonds	-	931,760	-	931,760
Other contingent items	673,451	800,812	673,451	800,812
By Product - Local Currency	17,928,642	20,253,037	18,035,800	20,342,975
Undrawn loan commitments	3,290,399	2,529,949	3,290,399	2,529,949
Guarantees	3,104,365	4,257,179	3,104,365	4,257,179
Letters of credit	3,169,886	1,660,442	3,169,886	1,660,442
Forward contracts	4,348,906	758,594	4,348,906	758,594
Spot contracts	11,647	1,106,164	11,647	1,106,164
Acceptances	554,878	952,060	554,878	952,060
Other contingent items	1,032,263	496,828	1,032,263	496,828
By Product - Foreign Currency	15,512,344	11,761,217	15,512,344	11,761,216
Commitments and Contingencies	33,440,986	32,014,254	33,548,144	32,104,191

10.2 Stage-wise impairment on commitment and contingencies

	BANK		GROUP	
	31.03.2020 Rs.'000	31.12.2019 Rs.'000 Audited	31.03.2020 Rs.'000	31.12.2019 Rs.'000 Audited
Gross Commitments and Contingencies (Note 10.1)	33,440,986	32,014,254	33,548,144	32,104,191
Less: Accumulated impairment under stage 1	(74,341)	(72,786)	(74,526)	(72,785)
Accumulated impairment under stage 2	(2,776)	(4,103)	(5,414)	(4,103)
Accumulated impairment under stage 3	(3,204)	(4,697)	(50,635)	(57,848)
Net value of commitments and contingencies	33,360,665	31,932,668	33,417,569	31,969,455

10.3 Movement of impairment during the period for Commitments & Contingencies

	Stage 1	Stage 2	Stage 3	Total
BANK				
Opening balance as at 1 January 2020	72,786	4,103	4,697	81,586
Charge to statement of profit or loss	1,555	(1,327)	(1,493)	(1,265)
Net write-off during the period	-	-	-	-
Closing Balance as at 31 March 2020	74,341	2,776	3,204	80,321
GROUP				
Opening balance as at 1 January 2020	72,785	4,103	57,848	134,736
Charge to statement of profit or loss	1,741	1,311	(7,213)	(4,161)
Net write-off during the period	-	-	-	-
Closing Balance as at 31 March 2020	74,526	5,414	50,635	130,575
BANK				
Opening balance as at 1 January 2019	42,049	2,873	35,360	80,282
Charge to statement of profit or loss	30,737	1,230	(30,663)	1,304
Net write-off during the year	-	-	-	-
Closing Balance as at 31 December 2019	72,786	4,103	4,697	81,586
GROUP				
Opening balance as at 1 January 2019	43,088	3,300	52,819	99,207
Charge to statement of profit or loss	29,697	803	5,029	35,529
Net write-off during the year	-	-	-	-
Closing Balance as at 31 December 2019	72,785	4,103	57,848	134,736

	Corporate		SME		Retail		Treasury		Other Group Companies		Total	
	2020 Rs.'000	2019 Rs.'000	2020 Rs.'000	2019 Rs.'000	2020 Rs.'000	2019 Rs.'000	2020 Rs.'000	2019 Rs.'000	2020 Rs.'000	2019 Rs.'000	2020 Rs.'000	2019 Rs.'000
Period ended 31 March 2020												
Interest Income	995,494	1,121,611	734,184	868,299	823,914	778,302	440,791	558,323	478,062	490,729	3,472,446	3,817,264
Add: Inter-Segment Interest Income	-	-	-	-	595,849	719,857	288,306	343,144	-	-	884,155	1,063,002
Total Interest Income	995,494	1,121,611	734,184	868,299	1,419,763	1,498,159	729,097	901,467	478,062	490,729	4,356,601	4,880,266
Less: Interest Expense	210,999	282,092	324,435	395,972	1,108,566	1,211,257	395,688	462,181	245,123	246,974	2,284,811	2,598,476
Less: Inter-Segment Interest Expense	564,809	715,632	319,346	347,369	-	-	-	-	-	-	884,155	1,063,001
Net Interest Income	219,686	123,887	90,403	124,958	311,197	286,902	333,409	439,286	232,939	243,755	1,187,635	1,218,789
Other Income	49,120	43,991	68,449	93,803	118,567	93,003	266,495	142,639	10,513	12,902	513,144	386,338
Total Net Income	268,806	167,878	158,852	218,761	429,764	379,905	599,904	581,925	243,452	256,657	1,700,779	1,605,127
Less :												
Impairment	16,977	16,036	13,948	61,566	56,854	4,398	5,029	(5,544)	43,562	30,810	136,370	107,266
Depreciation & amortization	19,949	8,071	35,966	23,123	91,660	55,587	19,754	5,389	15,022	10,272	182,351	102,442
Other expenses	74,090	107,667	220,346	231,044	467,230	442,400	71,801	79,443	105,587	133,514	939,055	994,069
Segmental Results	157,790	36,104	(111,406)	(96,973)	(185,980)	(122,480)	503,320	502,637	79,281	82,061	443,003	401,350
Less: VAT and NBT on Financial Services											124,406	176,815
Less: Taxation											123,810	105,385
Profit after Taxation											194,787	119,150
As at 31 March												
Other Information												
Segment Assets	38,352,000	37,907,579	24,797,173	24,972,306	15,938,000	14,996,189	39,250,736	34,794,145	15,972,824	16,991,083	134,310,735	129,661,302
Unallocated											4,895,349	4,403,634
Consolidated Total Assets											139,206,084	134,064,936
Segment Liabilities	15,068,000	17,548,631	11,413,701	10,907,620	55,345,000	47,257,839	26,318,000	27,352,953	10,414,126	11,653,049	118,558,828	114,720,092
Unallocated											3,106,213	2,565,144
Consolidated Total Liabilities											121,665,041	117,285,236
Cash flow from operating activities	5,393,913	(2,572,189)	3,187,588	(3,298,326)	8,623,759	(5,598,023)	12,037,822	(8,481,049)	(20,576,276)	14,266,226	8,666,806	(5,683,361)
Cash flow from investing activities	(62,402)	(9,377)	(36,877)	(12,025)	(99,768)	(20,409)	(8,612,183)	460,200	180,600	(224,694)	(8,630,631)	193,695
Cash flow from financing activities	-	-	-	-	-	-	583,751	3,161,252	735,254	223,938	1,319,005	3,385,190

INTERIM FINANCIAL STATEMENTS

INFORMATION ON ORDINARY SHARES OF THE BANK

As at 31st March 2020

TOP 20 SHAREHOLDERS

Name	No. of shares as at 31.03.2020	% holding
1 Culture Financial Holdings Ltd	767,558,888	70.84%
2 Vista Knowledge Pte Ltd	64,677,973	5.97%
3 Associated Electrical Corporation Ltd	29,237,387	2.70%
4 Mr. A.I. Lovell	24,371,269	2.25%
5 Mr. D.A.J. Warnakulasuriya	19,842,730	1.83%
6 Mr. C.P.A. Wijeyesekera	18,375,314	1.70%
7 Ashyaki Holdings (Pvt) Ltd	7,792,806	0.72%
8 Mr. S.P. Khattar	7,323,365	0.68%
9 Sterling Holdings (Private) Ltd	7,207,557	0.67%
10 Mr. M.D. Samarawickrama	7,031,016	0.65%
11 Anverally and Sons (Pvt) Ltd A/C No 01	4,749,287	0.44%
12 Deutsche Bank AG-National Equity Fund	4,726,849	0.44%
13 Commercial Agencies (Ceylon) Ltd	4,050,833	0.37%
14 Ajita De Zoysa & Company Limited	4,050,832	0.37%
15 Mr. A.I.T. Hettiarachchi	3,848,735	0.36%
16 Ideal Motors (Private) Limited	2,780,607	0.26%
17 Rosewood (Pvt) Ltd	2,774,542	0.26%
18 J.B. Cocoshell (Pvt) Ltd	2,520,049	0.23%
19 ARRC Capital (Pvt) Ltd	2,502,008	0.23%
20 Mr. T.N. Wijewardane	1,729,162	0.16%
	987,151,209	91.13%
Other shareholders	96,407,129	8.87%
Total	1,083,558,338	100.00%

As at 31st March 2020

Number of shares in public holding	315,859,650
Number of public shareholders	30,582
Percentage of public holding	29.15%
Market capitalisation (Rs.)	8,776,822,538
Float adjusted market capitalisation	2,558,463,167
Required minimum public holding percentage under option 4 of rule 7.13.1 (a) of the Listing Rules of Colombo Stock Exchange	10%

DIRECTORS' INDIVIDUAL HOLDING IN SHARES

Name	No. of shares held as at 31.03.2020
Mr. Atul Malik	None
Mr. Priyantha Fernando	None
Mr. Sabry Ghouse	None
Mr. Gaurav Trehan	None
Mr. Michael J. O'Hanlon	None
Mr. Indrajit Wickramasinghe	None
Mr. Trevine Fernandopulle	None
Ms. Dilshani Wijayawardana	None
Mr. Drayton Sarath Palitha Wikramanayake	None
Mr. Puneet Bhatia	None
Mr. Sanjeev Mehra (Alternate Director to Mr. Puneet Bhatia)	None

The Minimum Public Holding of Union Bank of Colombo PLC as at 31st March 2020 complied with option 4 of rule 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange.

MEASUREMENT OF FINANCIAL INSTRUMENTS

a. Bank - As at 31 March 2020

	Fair Value through P&L Rs.000	Fair Value through OCI Rs.000	Amortised cost Rs.000	Total Rs.000
ASSETS				
Cash and cash equivalents	-	-	3,349,278	3,349,278
Balances with Central Bank of Sri Lanka	-	-	1,748,441	1,748,441
Placements with banks	-	-	68,638	68,638
Reverse repurchased agreements	-	-	243,449	243,449
Derivative financial instruments	59,432	-	-	59,432
Financial investments at fair value through profit or loss	4,700,483	-	-	4,700,483
Financial assets at amortised cost - loans and advances to customers	-	-	78,266,306	78,266,306
Financial assets at amortised cost - debt and other instruments	-	-	19,789,163	19,789,163
Financial investments at fair value through other comprehensive income	-	18,353,752	-	18,353,752
Other financial assets	-	-	739,991	739,991
Total financial assets	4,759,915	18,353,752	104,205,266	127,318,933

	Fair Value through P&L Rs.000	Amortised cost Rs.000	Total Rs.000
LIABILITIES			
Due to banks	-	12,224,836	12,224,836
Derivative financial instruments	72,519	-	72,519
Repurchased agreements	-	13,537,248	13,537,248
Due to customers	-	83,924,389	83,924,389
Other borrowed funds	-	1,280,556	1,280,556
Other financial liabilities	-	3,383,486	3,383,486
Total financial liabilities	72,519	114,350,515	114,423,034

b. Bank - As at 31 December 2019 (Audited)

	Fair Value through P&L Rs.000	Fair Value through OCI Rs.000	Amortised cost Rs.000	Total Rs.000
ASSETS				
Cash and cash equivalents	-	-	2,718,860	2,718,860
Balances with Central Bank of Sri Lanka	-	-	2,314,197	2,314,197
Placements with banks	-	-	94,257	94,257
Reverse repurchased agreements	-	-	426,823	426,823
Derivative financial instruments	6,230	-	-	6,230
Financial investments at fair value through profit or loss	3,228,565	-	-	3,228,565
Financial assets at amortised cost - loans and advances to customers	-	-	77,358,301	77,358,301
Financial assets at amortised cost - debt and other instruments	-	-	13,441,040	13,441,040
Financial investments at fair value through other comprehensive income	-	17,503,245	-	17,503,245
Other financial assets	-	-	217,561	217,561
Total financial assets	3,234,795	17,503,245	96,571,039	117,309,079

	Fair Value through P&L Rs.000	Amortised cost Rs.000	Total Rs.000
LIABILITIES			
Due to banks	-	11,475,176	11,475,176
Derivative financial instruments	4,515	-	4,515
Repurchased agreements	-	12,116,040	12,116,040
Due to customers	-	76,532,012	76,532,012
Other borrowed funds	-	1,242,450	1,242,450
Other financial liabilities	-	1,907,756	1,907,756
Total financial liabilities	4,515	103,273,434	103,277,949

INTERIM FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2020

MEASUREMENT OF FINANCIAL INSTRUMENTS

a. Group - As at 31 March 2020

	Fair Value through P&L Rs.000	Fair Value through OCI Rs.000	Amortised Cost Rs.000	Total Rs.000
ASSETS				
Cash and cash equivalents	-	-	3,799,597	3,799,597
Balances with Central Bank of Sri Lanka	-	-	1,748,441	1,748,441
Placements with banks	-	-	68,451	68,451
Reverse repurchased agreements	-	-	837,115	837,115
Derivative financial instruments	59,432	-	-	59,432
Financial investments at fair value through profit or loss	4,700,483	-	-	4,700,483
Financial assets at amortised cost - loans and advances to customers	-	-	85,523,041	85,523,041
Financial assets at amortised cost - debt and other instruments	-	-	19,039,795	19,039,795
Financial investments at fair value through other comprehensive income	-	18,422,539	-	18,422,539
Other financial assets	-	-	743,935	743,935
Total financial assets	4,759,915	18,422,539	111,760,375	134,942,829

	Fair Value through P&L Rs.000	Amortised Cost Rs.000	Total Rs.000
LIABILITIES			
Due to banks	-	12,524,542	12,524,542
Derivative financial instruments	72,519	-	72,519
Repurchased agreements	-	13,537,248	13,537,248
Due to customers	-	90,000,738	90,000,738
Other borrowed funds	-	2,423,781	2,423,781
Other financial liabilities	-	3,509,871	3,509,871
Total financial liabilities	72,519	121,996,180	122,068,699

b. Group - As at 31 December 2019 (Audited)

	Fair Value through P&L Rs.000	Fair Value through OCI Rs.000	Amortised Cost Rs.000	Total Rs.000
ASSETS				
Cash and cash equivalents	-	-	3,104,542	3,104,542
Balances with Central Bank of Sri Lanka	-	-	2,314,197	2,314,197
Placements with banks	-	-	94,257	94,257
Reverse repurchased agreements	-	-	1,009,581	1,009,581
Derivative financial instruments	6,230	-	-	6,230
Financial investments at fair value through profit or loss	3,270,208	-	-	3,270,208
Financial assets at amortised cost - loans and advances to customers	-	-	84,780,138	84,780,138
Financial assets at amortised cost - debt and other instruments	-	-	12,670,558	12,670,558
Financial investments at fair value through other comprehensive income	-	17,516,485	-	17,516,485
Other financial assets	-	-	245,956	245,956
Total financial assets	3,276,438	17,516,485	104,219,229	125,012,152

	Fair Value through P&L Rs.000	Amortised Cost Rs.000	Total Rs.000
LIABILITIES			
Due to banks	-	11,601,966	11,601,966
Derivative financial instruments	4,515	-	4,515
Repurchased agreements	-	12,116,040	12,116,040
Due to customers	-	82,751,668	82,751,668
Other borrowed funds	-	2,514,058	2,514,058
Other financial liabilities	-	2,085,401	2,085,401
Total financial liabilities	4,515	111,069,133	111,073,648

INTERIM FINANCIAL STATEMENTS
SELECTED PERFORMANCE INDICATORS

Item	BANK		GROUP	
	31 Mar 2020	31 Dec 2019	31 Mar 2020	31 Dec 2019
Regulatory Capital - Rs '000				
Common Equity Tier 1 (Basel III)	15,174,914	15,286,211	15,725,245	15,810,228
Tier 1 Capital / Core Capital (Basel III)	15,174,914	15,286,211	15,725,245	15,810,228
Total Capital / Total Capital Base (Basel III)	15,299,067	15,413,097	16,247,772	16,050,219
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement as per Basel III 2020 - 6.5%, 2019 - 7%)	15.69%	16.61%	15.01%	16.12%
Tier 1 Capital Ratio (Minimum Requirement as per Basel III 2020 - 8%, 2019 - 8.5%)	15.69%	16.61%	15.01%	16.12%
Total Capital Ratio (Minimum Requirement as per Basel III 2020 - 12%, 2019 - 12.5%)	15.81%	16.75%	15.50%	16.36%
Leverage Ratio (Minimum Requirement - 3%)	10.02%	10.64%	10.00%	10.36%
Regulatory Liquidity				
Statutory Liquid Assets				
Domestic Banking Unit, Rs. '000	20,892,693	19,095,889		
Foreign Currency Banking Unit, USD '000	14,008	13,587		
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)				
Domestic Banking Unit	24.23%	22.95%		
Foreign Currency Banking Unit	21.91%	21.95%		
Liquidity Coverage Ratio (%), Rupee (Minimum Requirement - 100%,	185.55%	225.57%		
Liquidity Coverage Ratio (%), All Currency (Minimum Requirement - 100%	123.47%	154.70%		
Net Stable Funding Ratio (%) (Minimum Requirement - 100%)	113.50%	113.08%		
Assets Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio, % (Net of interest in suspense)	5.11%	5.03%		
Net Non-Performing Advances,% (Net of interest in suspense and provision)	3.37%	3.55%		
Profitability				
Interest Margin, %	3.26%	3.62%		
Return on Assets (Before Tax), %	0.91%	0.96%		
Return on Assets (After Tax), %	0.57%	0.57%		
Return on Equity (After Tax), %	4.10%	4.16%		

Name of Company

Union Bank of Colombo PLC

Legal Form

A Public Limited Liability Company incorporated in Sri Lanka under the Companies Act No. 17 of 1982.

Re-registered under the Companies Act No. 7 of 2007. Listed as a public quoted Company at the Colombo Stock Exchange. A Licensed Commercial Bank under the Banking Act No. 30 of 1988.

Date of Incorporation

February 2nd, 1995

Company Registration Number

PB 676 PQ

Accounting Year-end

December-31

Subsidiary Companies

National Asset Management Ltd

UB Finance Company Ltd

Tax Payer Identity Number (TIN)

134005610

VAT Registration Number

134005610-7000

Credit Rating

Fitch : BBB- (lka)

ICRA : (SL) BBB Stable Rating

Registered Office & Principal Place of Business

No. 64, Galle Road,

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Fax: +94 11 2370971

E-mail: ubc@unionb.com

Web Address: www.unionb.com

Auditors

M/s. Ernst & Young

Chartered Accountants,

No. 201, De Saram Place,

Colombo 10.